



Democratic State of the Union Response Center

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REPUBLICANS HELP BIG BUSINESS CUT COSTS BY SLASHING TAKE HOME PAY OF AMERICAN WORKERS

White House proposed to eliminate overtime pay for eight million workers. In early 2003, the White House has proposed would make more than 8 million American workers ineligible for overtime pay when they work more than 40 hours a week.

- The White House's plan would eliminate overtime by broadening the definition of what kinds of jobs are included in management and slashing the education levels required to be considered management. There is no provision to let employees who would lose overtime collect lost wages. As one management law firm told its clients, “virtually all of these [overtime] rule changes should ultimately be beneficial to employers.”

White House regulations result in a 25 percent pay cut on average for overtime workers. Millions of workers depend on overtime to make ends meet, and in 2000 overtime pay accounted for about 25 percent of the income of workers who worked overtime. This proposal is not worker or family-friendly. Workers will work more hours without pay, essentially eliminating the 40-hour work week.

White House proposal will affect nurses, firefighters, EMTs, and other professionals. People in white-collar occupations will lose their right to earn overtime, including private-sector emergency medical technicians, paralegals, licensed practical nurses, pilots, draftsmen, agriculture inspectors, surveyors, reporters, editors, chefs, cooks, dental hygienists, health technicians, electrical technicians, and air traffic controllers.

New White House regulations provide advice on ways to cut overtime. In promoting its new policy, the Bush Administration has stressed that the proposal would enable some low-income workers to receive overtime pay protections for the first time. But new regulations unveiled in January of 2004 detail ways for employers to avoid paying workers for the overtime pay they earned. The suggestions included raising an employee's base pay, or paying employees a fixed salary.

Democrats fought to protect overtime rights for workers. Democrats spent 2003 fighting to prohibit the Department of Labor from issuing any regulation eliminating overtime rights, and were able to block the White House plan on the Senate floor. But now Republicans have included a provision in the omnibus bill that overrules the bipartisan will of the Congress and allows the White House to go ahead with its plan to eliminate overtime pay for 8 million workers.

WORKERS LOSING OVERTIME PAY UNDER WHITE HOUSE PROPOSAL

(Economic Policy Institute, July 2003)

NEW ENGLAND REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	ME, NH, VT, MA, RI, CT	450,497
Individual States	MA	198,669
MID ATLANTIC REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	NY, NJ, PA	1,013,184
Individual States	NY	449,076
	NJ	246,413
	PA	317,695
EAST NORTH CENTRAL REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	OH, IN, IL, MI, WI	1,392,429
Individual States	OH	351,795
	IL	374,590
	MI	316,234
WEST NORTH CENTRAL REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	IA, MO, ND, SD, NE, KS, MN	645,320
Individual States	MN	200,028
SOUTH ATLANTIC REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	DE, MD, DC, VA, WV, NC, SC, GA, FL	1,488,737
Individual States	VA	237,352
	NC	211,468
	GA	225,345
	FL	441,809
EAST SOUTH CENTRAL REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	KY, TN, AL, MS	407,890
WEST SOUTH CENTRAL REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	AR, LA, OK, TX	776,594
Individual States	TX	541,355
MOUNTAIN REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	MT, ID, NM, WY, CO, AZ, UT, NV	546,481
Individual States	CO	152,722
	AZ	143,791
PACIFIC REGION		NUMBER OF WORKERS LOSING OVERTIME PAY
Region Total	WA, OR, CA, AK, HI	1,359,350
Individual States	CA	1,002,888

